

MINUTES
KITTY HAWK TOWN COUNCIL
Monday, May 6, 2013
Kitty Hawk Town Hall, 6:00 PM

Agenda

1. Call to Order
2. Moment of Silence/Pledge of Allegiance
3. Approval of Agenda
4. Public Comment
5. Consent Agenda
 - a.) Approval of Minutes. March 11, 2013 and April 2, 2013
 - b.) Revenues and Expenses Report for March 2013
 - c.) Hurricane/Disaster Debris Removal Inter-local Agreement
 - d.) Agreement between the Municipalities in Dare County and the County of Dare
 - e.) FY 12-13 Annual Audit Contract with Dowdy & Osborne
 - f.) 2013 Street Resurfacing
 - g.) Recreation Master Plan
6. Items Removed from the Consent Agenda
7. Public Hearings
 - a.) Text Amendment: Proposal to amend Subsection 42-577, Table IV, and Table V of the Kitty Hawk Town Code to increase the allowable number and size of neon "Open/Closed" signs.
 - b.) Conditional Use Permit. Application is for a conditional use permit to establish four (4) wind turbines as part of an electric public utility research project on the Dominion NC Power property at 5300 The Woods Road. The four (4) wind turbines would be 70 feet, 46 feet, 40 feet, and 40 feet in height. The proposed electric public utility research project would also include a ground-mounted array of solar panels, lithium-ion battery system, and public kiosk with information about the project.
8. New Business
 - a.) Amendment to the Town Code. Sections 20-53, 20-54, 20-55 and 20-56. Section 20-53 adds paragraph (c) to cover no parking or leaving a vehicle upon a bike or pedestrian path and reduces the fine to \$20; Section 20-54 reduces the fine to \$20; Section 20-55 reduces the fine to \$20; and, Section 20-56 prohibits parking in front of a private driveway, fire hydrant, entrance to a fire station, in an intersection or fire lane.
 - b.) Extension of Audit Services with Dowdy & Osborne. A proposal by Dowdy & Osborne, LLP, CPA's to extend audit services for fiscal years ending 2014, 2015 and 2016 has been submitted (based on staffing and audit level requirements remaining the same during this period.) The cost for each year is \$16,250.
 - c.) Agreement with Albemarle & Associates. This agreement is for evaluating the possibility of constructing outfalls at various locations to alleviate flooding during storm events. The cost is \$6,450.
 - d.) Agreement with Coastal Planning & Engineering. This agreement is for a beach management conceptual assessment (storm damage reduction.) The cost is \$22,454.

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- e.) FY 12-13 Budget Amendment #4. This budget amendment establishes a Storm Damage Reduction (Beach Nourishment) Project Fund increasing the overall budget by \$22,454. The funds will be used to pay for an agreement with Coastal Planning & Engineering to conduct a beach management conceptual assessment.
 - f.) Municipal Service District Map for Storm Damage Reduction (beach erosion control and flood and hurricane protection works.) This proposed map designates two districts. District A includes BC-1, BC-2, BC-3, PCD, BH-1, BH-2, BR-1 and BR-3 encompassing the oceanfront properties, the properties between the highways and the commercial properties just south and west of US 158. District B includes residential areas that are close enough to the beach to benefit from the beach.
- 9. Reports or General Comments from Town Attorney
 - a.) Winks Status
 - b.) Compliment to the Planning and Inspections Department
 - c.) Completion of Municipal Administration Course at the School of Government
 - d.) Compliment to the Police Department
 - e.) Schedule Budget Workshop
 - 10. Reports or General Comments from Town Attorney
 - 11. Reports or General Comments from Town Council
 - 12. Public Comment
 - 13. Recess

COUNCIL MEMBERS PRESENT: Mayor Clifton Perry, Mayor Pro Tem Gary Perry, Councilman Ervin Bateman, Councilman Richard Reid and Councilwoman Emilie Klutz

STAFF MEMBERS PRESENT: Town Manager John Stockton, Town Clerk Lynn Morris, Attorney Steve Michael, Planning Director Joe Heard, Finance Officer Charlene Allen, Police Chief Joel Johnson, Fire Chief Lowell Spivey and PW Director Midgett

1. CALL TO ORDER

Mayor Perry called the meeting to order at 6 p.m.

2. MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

Following a moment of silence the Pledge of Allegiance was recited.

3. APPROVAL OF AGENDA

Councilwoman Klutz made a motion to approve the agenda. Councilman Bateman seconded the motion and it passed unanimously, 5-0.

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4. PUBLIC COMMENT:

1. Paul Barr, 4502 N. Virginia Dare Trail, Kitty Hawk, NC: Mr. Barr voiced his opposition to a possible taxation that would include only those living near the beach. He believes the whole town, the entire area, benefits when tourists come and thinks the town should share in any cost of the beach replenishment and not just those that are living closest to the beach.

2. Tyler Tonnesen and Ethan Tack, Students from First Flight High School, Kill Devil Hills, NC: Mr. Tonnesen and Mr. Tack spoke about a proposal for additional bike racks at the beach accesses. Donations for wood to make them would be solicited and the school drafting class would be asked to build them. Other options included purchasing metal or recycled plastic ones.

Councilwoman Klutz noted they chose a good project and it is a Recreation Plan priority.

5. CONSENT AGENDA. Items on the Consent Agenda are considered to be non-controversial, routine in nature or items not requiring a presentation to or discussion by the Town Council in order to consider the item(s). Any item may be removed for discussion by council or by any member of the audience who wants to hear the item presented and discussed.

a.) Approval of Minutes. March 11, 2013 Recessed Meeting and April 2, 2013 Regular Meeting Minutes. *(An affirmative vote for the consent agenda will approve these minutes.)*

b.) Revenues and Expenses Report for March 2013. *(An affirmative vote for the consent agenda will acknowledge this report.)*

c.) Hurricane/Disaster Debris Removal Inter-local Agreement – This agreement with Dare County will allow the county, in the event of a natural disaster, to coordinate the collection of disaster related debris. *(An affirmative vote of the Consent Agenda will approve this agreement.)*

d.) Memorandum of Agreement between the Municipalities in Dare County and the County of Dare – The purpose of this agreement is to provide for an orderly and coordinated response to the effects of natural and technological disasters on residents and visitors in Dare County. *(An affirmative vote of the consent agenda will approve this agreement.)*

e.) Annual Audit Contract – This contract with Dowdy & Osborne is in the amount of \$16,250 to audit the town's accounts for FY 12-13, a \$1,500 reduction from last year. *(An affirmative vote for the consent agenda will approve this contract.)*

f.) 2013 Street Resurfacing – This is for Sand Dune Drive, E. Balchen Street, Ridge Road and repair of sections of the Twiford Street Multi-use Path. Two bids were received and opened on April 25, 2013. It is recommended the low bid of \$54,900 from RPC Contracting, Inc. be accepted. *(An affirmative vote of the consent agenda will award the bid to RPC.)*

g.) Recreation Master Plan - The Recreation Committee has completed an update to the Recreation Master Plan. All of the updates are administrative or were made to reflect current project status. There are no changes affecting policy or requiring Planning Board action and Council approval. Council action will replace the previously accepted plan with the revised version. *(An affirmative vote of the consent agenda will approve this updated plan.)*

MPT Perry made a motion, seconded by Councilwoman Klutz, to approve the consent agenda as promulgated. Vote was 5-0.

6. ITEMS REMOVED FROM THE CONSENT AGENDA

There were no items removed from the consent agenda.

7. PUBLIC HEARINGS:

MPT Perry made a motion to go into public hearing. Councilwoman Klutz seconded the motion and it passed unanimously, 5-0.

a.) Text Amendment: Proposal to amend Subsection 42-577, Table IV, and Table V of the Kitty Hawk Town Code to increase the allowable number and size of neon "Open/Closed" signs.

Heard: *This item is regarding a proposed text amendment that was submitted by a local business owner. Specifically the proposal would amend subsection 42-577, Table IV and Table V. That is part of the town's sign regulations and the intent of the proposal would be to increase the number of allowed open/closed neon signs from one to two and would also allow the maximum size to be used for that purpose from two square feet to a total of four square feet. To clarify the applicant's intent is a business could have one four square foot sign or two, two square foot signs or some other combination as long as it does not exceed a total of four square feet. I have had some comment related to the wording and if the proposed ordinance needs to be changed slightly to maybe better state it we would certainly be open to that.*

At their meeting on March 14th the planning board voted 3-2 to recommend approval of this proposal to the council and I would certainly be glad to answer any questions the councilmembers have.

Mayor Perry asked if anybody had signed up and Clerk Morris called David Hunt.

1. David Hunt: *Good evening. I think everybody except for Miss Klutz was familiar with what I was talking about before. Right now, as the ordinance is written, you are allowed one sign this size (Mr. Hunt held up a sign) regardless of the size of the building and regardless of where your building is located. Barefoot Bernie's recently had one on the north side for traffic coming down and one on the south side. He was found to be in violation and they were forced to take one sign down. We are not trying to make it look like Times Square or Las Vegas or anything actually.*

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Saturday I went around to the businesses to try to garner some support for this and I was surprised at how many businesses have no open signs. I don't think adding one or two more open signs to some of the businesses that would benefit from it is going to be detrimental to the small town look of Kitty Hawk or the intimate feel of Kitty Hawk. I would be happy to answer any questions you have.

MPT Perry: *How would you post two of those at the strip mall that you are in?*

Hunt: *What we would do is probably just go with a little larger sign. A single sign but a little larger. Any other questions? Thank you very much for your time.*

Mayor Perry asked if there was anyone else who wished to speak and Chris Vlahos approached the podium.

2. Chris Vlahos, Barefoot Bernie's Tropical Grill & Bar: *We had two of the open signs for about seven years before anybody actually said anything to us. And we have noticed that now that we have removed one of the signs obviously traffic coming from the north is not really able to know if we are open because the sign is facing south. We have noticed people asking whether we are open at certain times because we do open a little earlier than some of the other restaurants. Speaking as someone that had two signs in their building for quite some time we have noticed a little bit of difference and it did not seem to affect anyone at the time. That is what I have seen so far and if you have any questions I would be more than happy to help you. I like the ordinance.*

Mayor Perry asked if there was anyone else who wished to speak and no one came forward. He asked for the record to note such and asked for a motion to close this portion of the public hearing.

Klutz: *Do we discuss now or afterwards?*

Mayor Perry: *We can discuss afterwards. We need to close this portion so we can go to the conditional use which the attorney is going to lead.*

Michael: *You can have your discussion on this one before you go to a decision and then close the public portion because you may have a question for Joe or someone and you will not be able to do that once you close it.*

Klutz: *I prefer to do it now because I would like to comment I think a wording change will make it clearer. You can have one larger sign or two smaller ones if the council decides to pass this. It occurred to me I think I know it meant one or two. May I discuss what I think in terms of Land Use Plan adherence etcetera at this point?*

Michael: *You can certainly have a discussion.*

Klutz: *First of all I would like to say this seems like a very small thing to do in terms of a benefit for our businesses to be able to communicate to the public that they are open. I do not*

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think it would have a bad effect on the community appearance and in our Land Use Plan it says to do what is necessary to support our businesses in the community. I would say it was consistent with the Land Use Plan goals and objectives.

Mayor Perry: *Any further discussion? Then I guess we close this portion of the public hearing and move on to the next one. Is that correct?*

Michael: *You can vote on this one if you are ready.*

Mayor Perry: *I do not know if we are ready to vote on it.*

Klutz: *During the public hearing?*

Michael: *No. You close the hearing as to the sign issue. If you are ready to vote on this you can vote and go to the next public hearing.*

Mayor Perry: *Or we can wait to vote and take it up later.*

Michael: *You can finish this one right now about the sign. You can go ahead and vote if you are ready and then we will go into the public hearing on the conditional use permit.*

Mayor Perry: *Or we can wait to take any action on it now and take it up after the other one. Is that what we prefer or do you prefer to vote now?*

MPT Perry: *I am ready to vote on it.*

Michael: *If you are ready to vote I would rather you vote on it, get it out of the way and then we will go to the conditional use hearing which may take longer.*

MPT Perry made a motion to go out of public hearing. Councilwoman Klutz seconded. Vote was 4-1. Councilman Reid voted no.

Reid: *Are you voting on the ordinance?*

Mayor Perry: *We have to have a motion to accept the proposal, not to accept it, or change it.*

Councilwoman Klutz made a motion to adopt the proposed text amendment allowing up to two neon open signs total no more than four square feet with a clarification in the wording of the ordinance to allow and confirm this is something that can be done using one larger sign or two smaller signs. The amendment is consistent with the town's CAMA Land Use Plan in that it supports our small businesses and is in the public interest by allowing a relatively minor change that helps local businesses better communicate with potential customers. MPT Perry provided a second.

Mayor Perry: *Any more discussion on it?*

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Bateman: *I have thought about this long and hard. I also read the Land Use Plan and I talked to a couple of the members on the planning board. I have an issue having an increase in signs and the reason is because if everyone had an extra sign on their property it would be neon lights galore everywhere. That is the issue I have with it. I have two businesses and one of them has an open sign and it is the same size as the sign you brought. The other one does not. I don't know if it draws more business or not. It is there because in the winter it is dark early in the evening and we wanted to make sure everybody knew we were open. The sign serves its purpose. If I had two signs there would it make it more visible to know I am open or closed I don't know. The concern I have though, and I am probably going to vote against this, is the fact that if every business has two signs it is going to look like, not being mean to Virginia Beach, but Virginia Beach or a large municipality that has a lot of neon. It is bad enough when you are riding along and you see a sign as in Currituck that has the LED signs blinking at you. I do not want that in Kitty Hawk. I am going to vote against it.*

Mayor Perry: *The neon is what we as a town have tried to keep at a minimum, tried to keep it so we do not look like Virginia Beach or other places. I do not understand why one open sign is not enough. I do not have a problem with one sign but two I cannot really vote for. All those in favor?*

MPT Perry: *Hold on a minute. I was going to vote for it and I think maybe I better tell you I am with Emilie. I think we need to help our businesses. The man who had two signs, it made a difference because of people traveling north or south. I think at some point Kitty Hawk has to wake up to the fact we are in a modern world. There is a need for lighted signs and we are going to have to come to grips with it. I do not have a problem with this so I am going to vote for it and I am a little bit surprised at the resistance to it. I do not think it hurts anything and I think it does help things. I think it should benefit businesses wherever possible and I think in today's world we need to help them as much as we can. That is my input on it.*

Mayor Perry: *I have a problem with a larger sign or if your business is in a strip mall one open sign is enough but if you are in a position where you cannot see coming from both ways I can see the point in having the two open signs. As it is written I do not like it. Do I support the businesses? Yes. I am not sure what open signs really do to create business for the people.*

Klutz: *My comment on that is particularly in the winter time it is nice to know if a business is open and I do pay attention to that sign. I guess my question would be why would anybody put up two signs, close to each other, which would be what is objectionable. The gentleman who had two signs had them on two different aspects of the building. One larger sign for a building that is set back from the road quite a bit might be helpful to a business that is in that position. I cannot see business people making a decision to put two small signs in their business when one would actually do the trick. If they are in a strip mall I don't think they are trying to figure out ways to make the town look gaudy. All I am getting at is I think this gives them a little more flexibility and most business people would be inclined to do what is smart for their business.*

Bateman: *I would probably be flexible to changing my opinion if it was just one sign, a larger sign, but having the two signs ... like I said if this gentleman in the mall he is in, if everybody has*

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two signs in their building think how that would look. How many businesses are there? Six, eight?

Hunt: *Six or seven.*

Bateman: *So if you have twelve neon signs clear across the front ... that is what I was thinking about when I made my decision.*

Hunt: *As to what Ms. Klutz said though we have no reason to do that.*

Bateman: *I understand but when we are making a decision we have to kind of make it for what everybody might do, not that you would do that. I am trying to be as flexible as possible. Somebody come up with something to change my mind and I will change because I want to be as user friendly to the businesses as possible. Believe me I know how tough it is.*

Hunt: *When I was out Saturday talking about the hearing tonight I would say about 50% of the businesses in Kitty Hawk have no open sign at all. I do not think you are going to see a huge influx of open signs next week if you approve this. It will give business owners that have a need for two signs or a somewhat larger sign to be seen. This is a fairly small sign to be seen at 50 miles per hour going down the bypass 300 yards away.*

Bateman: *Joe do we know what some other towns have done?*

Heard: *No. I do not have that information. It can certainly be provided but I would have to research it.*

MPT Perry: *I think you folks need to stop being a little bit backwards as far as trying to help your businesses. Let's vote on this one way or the other.*

Bateman: *Can we postpone it until next month and let Joe find out what the towns are doing and let me think about it?*

MPT Perry: *I do not care what the other towns are doing. I want to help these people and this is a minor ...*

Bateman: *If you want to help them then let us postpone it until next month and let me think about it some more.*

Klutz: *If it would help Ervin and perhaps the mayor to think about it again ... could the wording be such that you do some sort of limitation on the number of signs based on opposing walls or something of that nature? I would prefer to leave it the way it is and give the businesses some credit for not doing something that is unattractive and in the case of most businesses, unnecessary. If they are a business in a strip mall one open sign is plenty and they would probably, maybe, choose a bigger sign rather than two little ones that maybe people couldn't read. If it would help get it approved why don't we see if there is some way to word it that would be acceptable?*

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Mayor Perry: *You could have one sign in a strip mall. If you are looking straight on you can have one sign.*

Klutz: *One sign per business.*

Mayor Perry: *And then if you were on a corner where possibly you could ... there is a possibility of doing it that way but not two in the building.*

Klutz: *The objection is two signs on the same wall in one business. Is there a way to word it so you prohibit that? It is getting more down into the weeds than I would prefer but I would prefer to get something to accommodate the business owner who had two signs and had to take one down. I have been to Barefoot Bernie's, it has been around a long time and I have never found their signs unattractive. I think most people would agree it is a nice looking business and it is. I would like to see something to help out with this. Can we do that?*

MPT Perry: *Does she have to withdraw her motion?*

Mayor Perry: *You have to withdraw your second and she has to withdraw her motion.*

Michael: *What you are talking about would be a substantial change and you would have to redo it all again.*

Klutz: *Have another public hearing and all of that. But if it is the only way we can get it ...*

Mayor Perry: *Do you get the gist of what we are talking about?*

Heard: *I do mayor. And as Town Attorney Michael just mentioned, as far as going back through the process, if council would like to schedule another hearing on this next month, you could call for the public hearing tonight. Or if you would prefer to see the proposal before you and set the hearing then you would be looking at two months down the road.*

Klutz: *Do we have to have another public hearing on it?*

MPT Perry: *To change it the way they want it.*

Bateman: *I am not going to fight about it. I want to do the right thing for the businesses also. It is not that big of a deal. The point I am trying to make, and I want everybody to understand this, if you have seven businesses and they are stuck together and you have fourteen open signs, it is not going to look good. I will vote for it because I agree that the businesses need to be supported and helped in a situation but I do not want to see fourteen open signs on seven buildings. That is about as simple as I can get.*

MPT Perry: *We still have the motion and the second so let's vote on it.*

Mayor Perry: *You do not want to send it back you just ...*

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Klutz: *Are you changing your mind on this?*

Bateman: *I changed my mind.*

Mayor Perry: *All those in favor?*

MPT Perry, Klutz, Bateman: *Aye*

Mayor Perry: *No?*

Reid: *No*

Mayor Perry: *No*

Vote was 3-2 to approve the ordinance. (Ordinance No. 13-03)

Hunt: *Thank you very much.*

Mayor Perry: *Next we need to go into public hearing for conditional use permit.*

b.) Conditional Use Permit. Application is for a conditional use permit to establish four (4) wind turbines as part of an electric public utility research project on the Dominion NC Power property at 5300 The Woods Road. The four (4) wind turbines would be 70 feet, 46 feet, 40 feet, and 40 feet in height. The proposed electric public utility research project would also include a ground-mounted array of solar panels, lithium-ion battery system, and public kiosk with information about the project.

Michael: *Ladies and gentlemen the next matter is a public hearing on a conditional use permit. It is a request by Dominion North Carolina Power for a wind energy demonstration at 5300 The Woods Road. This is a quasi-judicial proceeding so if you are going to speak tonight you will need to be sworn. It will be under oath. Joe will need to be sworn and officials from Dominion Power plans to speak tonight if you gentlemen will come up and be sworn also.*

Klutz: *Steve I met with the applicants do I need to be sworn?*

Michael: *You do not need to be sworn. You will just need to put on the record what you did and what you observed.*

Klutz: *When is that done?*

Michael: *Once we have started the hearing.*

Town Clerk Morris administered the oath to Planning Director Joe Heard, Michael Thompson, Andrew Flavin and Edmund Hall.

Michael: *Mr. Heard if you would introduce this to us.*

Heard: *The applicants in this case were good enough to provide a nice visual of an aerial photograph of the property in question. Then they overlaid it with information about the location of the various improvements proposed by this project. I believe this is the best reference we have and would be clearer for people because it shows the existing buildings and some of the surrounding areas as well.*

What you have before you tonight is a proposal requesting approval of a conditional use permit to establish four wind turbines as part of an electric public utility research project on the Dominion North Carolina property at 5300 The Woods Road. The reason this is before you is because of the inclusion of the four wind turbines. That is a conditional use. The other aspects of the project are things allowed as a use of right that would not require approval by the council. The proposal includes a 70' high tower located just north of the northern entrance and then the other three red dots shown are three other turbines approximately 40', 46', and 40' in height south of the existing administrative building.

In addition to those improvements the project will include an area, in blue on the map, a ground mounted array of solar panels that would also be part of this alternative energy project. One thing to note is that all of these improvements would be visible from the public area. There is a fence that comes across in front of the building and everything would be visible from the public area but not accessible. They are all behind the existing security fence that Dominion Power has at this site. The energy generated by this project would be used internally by Dominion. This would not be energy going back on the grid.

The other aspect of the project is the yellow box shown. It is an existing little island at the end of the parking area just to the south of the parking area in front of the building and that area contains a kiosk. The kiosk would contain information about this project as well as real time updates on the amount of energy being generated by each wind turbine and solar array. It would provide some public information about these different forms of alternative energy and that is the intent of the project.

The property itself is zoned commercially. There is also some adjoining commercial property to the north where an auto repair and a cabinet making shop is located. The larger area over here is part of the Kitty Hawk Woods Coastal Reserve. Across the street to the east is zoned residential and there is one that is just off of this photo right in there where the arrow is. There is one residence back in there. There is some other residential property located across Greenville Lane down in this area here. The center of this right-of-way is where the zoning line is and the commercial zoning ends and the residential zoning begins. Another feature you are probably familiar with is in this area and is a public park.

In reviewing the project the staff has provided council with a list of the different zonings and development standards and I want to give a brief summary of those without going into a lot of detail. I would certainly be glad to answer any questions or provide more detail on any one of these points. Looking at the property as a whole we look at lot coverage. This property is allowed total coverage of 60% for a commercial district. The project itself really does not change the lot coverage in any significant way. There is a small area for the base of the larger tower that would be a grassed area that would be converted to a small base and a small area

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here where the kiosk is would also be converted. They are very minor changes in the large scheme of things and as a whole the property would still easily have a little greater than 50% coverage so it complies with that standard.

As far as the height of the proposed towers the council had recently adopted an ordinance related to the electric public utility research projects and related to the height of wind turbines it allows up to 70' in height. All of the proposed turbines would comply with that standard.

Our ordinance related to small wind energy facilities limits a variety of different types of setback requirements for turbines regarding setbacks from property lines, for buildings on adjoining properties and from adjacent roadways. The proposed project would comply with all of those.

Looking at access to the property the proposed project would not change any of the accesses or impact it at all. Looking at required parking what is existing on the site and what would be required there is one thing to note, particularly with the addition of the solar array. The project would result in a net loss of 8 parking spaces in that area and there are three spaces that Dominion Power has proposed to dedicate relating to the kiosk outside the fence. That would be dedicated for people from the public who would come and want to view the information on the kiosk and view the turbines and solar array. As you can see it is a very large property with lots of parking in the front already as well as an opportunity for parking throughout the site. Just looking at the existing marked spaces it still easily complies with the parking requirements based on the number of employees and use of the property.

There are no changes proposed to the lighting of the site or to the signage on the site. There may be some minor signage associated with the kiosk but it would be more of an informational type of sign associated with it.

The only issue that was identified in looking at this and the town's standards has to do with buffers. A majority of the property has a pretty significant buffer, wooded areas around the edges of the property. I want to point out that along the very southern side of the property along Grenville Lane is a paved area that extends ... and again we have not had access to a survey so I do not know how close it actually extends, but just in looking at it, it appears it may extend within the 50' buffer requirement from a residential district if we are looking at the middle of Grenville Lane as where the residential district starts. That is an existing situation. The proposed project would not change that. It would not increase the non-conformity and I want to point that out for the record.

There is an 8' high wooden fence that appears to be on the Dominion property and serves as a visual buffer. There are some trees located in this area between the Dominion property and the residential property in this stretch beyond the park. It is not clear though whether that is on Dominion's property or whether those are within the public right-of-way of the road. I do not know if that is something Dominion controls or whether it is in the public right-of-way. There is about 120' from the actual residence across Grenville Lane if we are looking at the buffer and how that would potentially impact the residential use across the way. Those are the things we looked at as a part of this.

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There is also in the staff report potential findings regarding the conditional use permit standards council has to look at. At its meeting on March 14th the planning board reviewed this application and voted unanimously to recommend approval of the proposed conditional use permit. There are a variety of conditions the board recommended. One comment regarding the final condition the board had and the way it was stated in the record was, in case of a buffer zone complaint about provable glare, a buffer zone will be considered. It came up in the discussion of the solar panels and whether there would possibly be some glare. The panels are generally oriented to the cell. They are ground mounted. These are not up high in the air and nobody could really state with anything definitive at the planning board meeting about whether or not any glare would be generated from these but the board wanted to put in that caveat. After having a discussion with the town attorney it is our thought if the council wishes to include a condition regarding that particular issue or additional buffer requirements that it is probably better put into terms of defining what you would like the buffer to be rather than leaving it open ended. That was the only other comment I had as staff, and again, I will certainly be glad to answer any questions you may have.

Klutz: *The residential property that borders Grenville Lane. Does it go all the way ... I know the house is set back. Is that a single lot going all the way to The Woods Road?*

Heard: *No. There are two lots located across Grenville Lane. There is this property that does go all the way to ... but there is another property behind it as well that is on Grenville.*

Klutz: *But not in front. That is a single lot. The house that you can see the roof top.*

Heard: *The Calvino property goes to The Woods Road.*

Klutz: *The part that does not have any kind of buffer could be on the right-of-way. The part that is right now used by the playground which makes me think it is right-of-way because it is a town playground.*

Heard: *The playground itself is not within the right-of-way. That is a separate property.*

Klutz: *It is a separate property owned by the town?*

Heard: *Yes. The right-of-way is separate from that.*

Klutz: *Right now the house that is across on Grenville Lane does have a buffer of trees that are across the street.*

Heard: *Yes. I think this picture shows the location of those trees and the fence that extends in that area well. You can see the location of the houses in proximity to the buildings and proposed improvements over here. But there is no buffer along where the park is.*

Klutz: *Exactly. Okay.*

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Mayor Perry: *The playground was donated by NC Power or most of it. I think part of it was the right-of-way along Grenville Lane but the rest of it was donated by NC Power.*

Klutz: *In my way of looking at this it appears if there is any glare at all it winds up on the playground because of all the trees that seem to be across the street from that house.*

Mayor Perry: *Where the parking is I think is where the right-of-way stops. That was the town part and they donated the other to make it a park.*

Bateman: *I will point out there is a wooden fence there and on the other side, between the parking lot and fence, there is also a mound of dirt that is probably about 5 to 6' high at least.*

Heard: *Where the fence is located, where these trees are, it does sit up fairly high as well in that area. On the property itself Dominion has some materials and equipment in the area as well.*

Klutz: *As of right now the residential property that would be most affected, the improvement on that residential lot, is back near the fenced area with the trees on the other side of the fence. Across the street.*

Heard: *Yes.*

MPT Perry: *The wooden fence is sitting on a hill and in addition to the height of the fence you can add another 4 to 5 feet of height from the playground which is at the same level as the road. Which means the house you are seeing is a little bit lower than that. There is very little chance any glare, if that is what you are worried about, is going to hit below because it is going to be angled up to catch the sun. It is not going to happen.*

Reid: *I have a question and maybe the applicant can answer it. Which way is the solar panel tilted? Are they tilted to the west to pick up the sun during the latter part of the day or are they going to be tilted toward the east?*

Heard: *The question came up at the planning board meeting, and the applicants can certainly talk to this as well, but the answer given was they are generally oriented toward the south. As far as the angle goes it would be facing generally toward the south.*

Michael: *Any other questions for Joe? Would the applicant come up please?*

1. Michael Thompson, 5300 The Woods Road, Kitty Hawk, NC: *Good evening. My name is Michael Thompson and I am the manager of state and local affairs and chief lobbyist in Raleigh, North Carolina and I am a resident of Southern Shores. It gives me great pleasure to come to you once again. I would like to introduce the other two members of my team who will be speaking on the technical aspects of this and answering further questions. We have Mr. Edmund Hall and on his left is Andy Flavin.*

I would like to say, before turning it over to them, that as the chief lobbyist for Dominion I have a responsibility in letting you know about some actions being taken, or not taken, in Raleigh.

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There is House Bill 298 and a complementary Senate Bill 365 that is going between different committees as assigned by the rules chairs. These two bills would affect Senate Bill 3 which was passed August 1, 2007. The affect it would have can be all, or in part, a repeal of that particular piece of legislation and could possibly have an impact. The opportunities with these are pure speculation and I am sure you have probably read a few articles on it. Unless you have any questions I am going to turn it over to Mr. Flavin.

Andy Flavin, 120 Tredegar Street, Richmond, VA 23219: *Good evening. I am with Dominion out of Richmond. If it would be okay with the town council I would like to go through what I think are some important slides in case there are any further questions that you may have and also to make sure our public audience here has a chance to see some of the slides so they get the appropriate context for what we are proposing.*

We are proposing four microwind turbines. One horizontal axis turbine that would look similar to the turbines you see at the Outer Banks Brewing Station and Jennette's Pier and three vertical axis turbines which are different in that they spin like an egg beater and actually kind of look like egg beaters. We are also proposing to install a lithium-ion battery that would be used to store energy generated by the renewable assets. Also, a solar photovoltaic array has been discussed, about 6 kilowatts ground-mounted. That is the general scope of this project and it would essentially create a microgrid at our The Woods Road facility.

A microgrid is essentially a miniature electricity grid. It takes and combines loads. It takes distributed energy resources both renewable and non-renewable and energy storage applications within an electrically defined boundary. That would allow this microgrid to operate parallel with the regular utilities service that everyone would get and would also allow it to island itself during an outage and continue to function, kind of as a self-contained entity. That is one thing we are really interested in pursuing from a research perspective. We see a lot of value in being able to assess whether it would technically be feasible to use the renewable resources that are available here in Kitty Hawk such as stronger than average winds and of course the sunshine to create a technically functioning microgrid, that again, could operate on a day to day basis. But it also could serve and operate during an outage. We see some potential value in that in terms of a catastrophic storm, some of which have been seen here in the past few years. When access to Hatteras Island is restricted you cannot get diesel in there to run diesel generators. Is it technically feasible to use renewable resources to provide some source of energy? And we hope to be able to make it work at our own facility and if so maybe there would be an application to a public safety complex or an emergency shelter.

There are also some other subtexts to the research we want to do. The four turbines we will be looking at are obviously all different designs and different heights but they are all applicable to a residential installation. In fact three of the four have mounting kits that you can actually mount to a residential rooftop. That is not particularly what we are advocating at this point but that gives you the scope and size we are looking at. Again, we see value in that. We have agreed to submit reports annually to the North Carolina Utilities Commission and to the town as well. The reports will go over some of our research findings and also allow folks who may be interested in installing turbines of their own to get some objective information about how they are performing in Kitty Hawk.

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These are pictures of the four different wind turbines we are talking about. Three of the four are about 45' or less. If you want to get some perspective it is probably the size of the average utility pole or light pole you might see outside here in the parking lot. The fourth one, which is the five kilowatt one, the second from the left, would be a little bit taller, 70' tall. I just want to point out that those heights include the tower height plus the blades to the highest point. That is not the tower height plus adding so many feet for the blade. That is the total height from ground to the highest point. Again, to give perspective, the wind turbine at the Outer Banks Brewing Station is an 80' tower and then you have to add on another 10 or 11 feet to account for the radius of one of the blades. In perspective these would be demonstratively smaller. This picture is an example to give folks a height comparison of what we are trying to do. I know there is concern ... a lot of people hear about wind turbines and they are the 500 and 550 foot turbines you might see on top of a mountain or maybe at some point in the future off the coast but this gives you the example of what we are really looking at. They are very modest in size.

Another question we hear a lot about is the noise. These turbines, partially because they are so small, have very moderate noise output. They range anywhere from about 35 to 55 decibels and that is measured at wind speeds of nearly 30 miles per hour, which is pretty significant. These are generally measured within about 40' or so, 40 to 50' of the base of the turbine. The wind would have to be going very fast to produce even the type of noise I am showing here but when you compare it to other types of noises you can see it is very modest as well. That is partially what the setbacks in the small wind energy ordinance are designed to protect against. It is not just about the turbine falling over but it also creates a noise buffer to the extent noise is a consideration.

At this point I ask if the council has any questions. I would be happy to answer them.

Bateman: *With the setbacks ... what you are telling me is the people that are outside those setbacks will not hear these turbines?*

Flavin: *I do not want to say they will never hear them because there is some noise to some degree but when you look at the comparison on this chart I have up here, if we had wind speeds of nearly 30 miles per hour, which is pretty significant, most of these turbines would be in the realm of a quiet library or softer than a quiet library or a whisper type deal. Given the additional length that these homes are removed from the turbines ... when they were talking about the buffer and so forth, again, I cannot commit to say there would never be any noise heard but I think it would be very unlikely that these would create any ... turbines this small would create any type of disturbance in that regard.*

Reid: *I have a couple of questions. How long do you think you will have the towers there for the project to get the information you want? Any idea? Five or ten years?*

Flavin: *What we have proposed for the actual research component of this is we would submit annual reports that would last three years for the demonstration period. Our vision and our hope is the turbines would continue to operate past that. Generally turbines of this size are given a rated life, assuming proper maintenance and so forth, of around twenty years or so. Our intention would be to continue to have these operating, continue to have the information*

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available to the public to look at, but our demonstration period and kind of the official reporting part of it would be a three year period.

Reid: *Maybe the attorney needs to address this but would it be a good idea to have them report back to the council, not as part of the conditional use, but in a year or two when you get some information and research. It would be helpful that you come back to the council and make a presentation and say this is what we found out and this is how we feel some of the stuff will be applied or could be applied either in Kitty Hawk or within your company. It seems like that would be a good idea.*

Flavin: *Yes. We certainly would be happy to do that.*

Klutz: *When am I supposed to make my statement about meeting with Andy Flavin?*

Michael: *Were there any other questions for Mr. Flavin? All right. If you want to go ahead and make your statement about what you did and then ask him your questions.*

Klutz: *On Friday I met with Andy Flavin at the project site and we walked the grounds and he explained where all of the various components of the project would be. He talked to me about where the wiring would disturb the site and we only spoke of the technical and educational aspects of the project. We did not discuss anything related to the conditional use permit in particular.*

When we talked about the educational aspect of the project there were some kiosks that were going to be at the Dominion Power site and also one at Kitty Hawk Elementary School. I feel like an elementary school kiosk would probably be a little advanced for elementary school students and would like to recommend that perhaps the educational component could be at a middle or even a high school. Little children could go on a field trip over to Dominion and look at the turbines and I think there would be good discussion. But at the high school or middle school they could do a little more with comparative analysis of alternative fuels, reliability costs, that kind of thing. How it fits into the grid in terms of the use of fossil fuels in conjunction with alternative fuels and they would have more of an understanding of the power generation in general and what it really takes for them to be able to charge their iPads and all the things they like to do. And maybe find out what their parents will be paying in their electric bill for different types of energy. I would recommend the kiosk at the elementary school perhaps could be more useful at a higher grade level.

Michael: *Any other questions?*

Flavin: *I wanted to address one more question that came up before. We were talking about the solar panels. First of all the orientation is ... they would probably be southwest because ... south delivers more of a total energy over the course of a year. Southwest we probably would lose a little of the total energy over the course of a year but it would produce more energy during the peak times of the day which from a broad scale economic prospective that is a little more valuable to everyone. But also as part of that, two solar panels, these solar PV panels that we are talking about, they are not designed to be reflective. They are designed to absorb and while I*

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cannot say there will never be any glare or anything off of them it is probably lower than one might think. There are types of solar generation technologies that do reflect sunlight onto say water to heat it up as steam. That is called concentrating solar. They use parabolic mirrors. So there is a type of solar that does reflect the sunlight onto certain points but these solar panels really ... they are trying to take the sunlight and absorb it. Again, I cannot say there will never be any glare but generally solar panels that have an excessive amount of glare are probably not doing their job very well.

MPT Perry: *On the solar panels. They are fixed, non-moving?*

Flavin: *Yes sir.*

MPT Perry: *And at an angle something like this to catch the sun's rays?*

Flavin: *Yes sir.*

MPT Perry: *So, if from the southwest direction the vegetation is going to be blocking any potential for glare certainly it would not be directed towards the park area that everybody is concerned about. Next question. The wind turbines. The pine trees around here run between 80 and 90' high and you are well back off the beach, well back away from any wind. Your chances for those 45 footers to do much is not going to be very much.*

Flavin: *That is certainly a fair point, something we considered. If it were up to me, and I totally got my way, the energy geek in me would love to see something where we could put turbines out on a pier like Jennette's Pier. I mean that is a pretty advantageous place to put them. The other thing is there are some state utility regulation issues that if we installed these off of our property it would have added many layers of complexity that probably would have rendered this dead on arrival a long time ago. We realize that in a perfect world we would have liked to have a little more control over where we could site these to be even a little more advantageous. Another thing is even within our own sites we have to be careful to not impede the day to day business of our construction and operation crews whose job, and number one priority, is to keep the lights on as they are now.*

With that being said a kind of benefit with these small turbines is they are actually designed to be built in urban areas. Some of them are mounted on the sides of buildings, tops of buildings and right along sidewalks. They are designed to kind of be in close quarters areas and many of these also have very moderate, what are called cutting speeds, which is the speed the wind has to blow before it starts generating electricity. These have a much lower threshold than some taller ones that you may see around. The other thing too with the vertical axis that spins it is a lot easier to pick up a small amount of wind because it is totally irrelevant which way the turbine is pointing. Whereas the horizontal axis you need them to be able to either orient them the right way to begin with or you need to have them be able to rotate to catch the wind in the right areas. It is not perfect but we still think there is some value here as well.

MPT Perry: *I am curious to know if it works back there.*

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Mayor Perry: *I think it is probably going to answer some questions for people in the wooded areas because we have been told it has to be above the tree level. That may help with answers.*

Flavin: *I just want to make one more quick point about the kiosk. Our plan was essentially to donate a couple of computers for students to be able to view all the output data and we certainly would be happy to redirect that to an area which may be a better location than an elementary school. I also want to point out this information will be available via internet and website so if anyone out in Los Angeles has some inkling they want to look at it they certainly can.*

Klutz: *I have one more question and it has to do with other permitting requirements. I recently saw a map that had to do with wildlife. It had a big red area in Eastern North Carolina for this type of wind energy project and its affect on migratory waterfowl. Is that something that is going to apply to this or is it just for large wind farms or ...*

Flavin: *Without seeing that exact documentation you are referring to my gut tells me it is probably referring to the larger wind turbines. You may remember there have been a couple of proposals to build some very large wind farms out in Perquimans or Pasquotank County and there was some initial interest I think in Duke Energy putting in some large scale wind turbines in the Pamlico Sound. That being said though our environmental team has already performed an assessment of the area, looking at issues of wildlife and also taking a look at any potential soil or water issues. From the perspective of wildlife they have not found anything. The report is not final so I will add that caveat but as of right now we are not aware of any particular type of wildlife that would be threatened by something of this size.*

MPT Perry: *Is this a taxpayer subsidized experiment or a Dominion subsidized experiment?*

Flavin: *There is potential eligibility for state and federal tax credits but the rest of it would be through Dominion. In all disclosure the projects that Dominion works on are collected through rate payer costs. I think at this point it would be safe to say that Dominion does not have any plans to pull any money out of a separate fund or account and fund this project. The North Carolina Utilities Commission will have the final say in whether or not we get cost recovery. We can certainly apply for it and make a case for it. If this were to proceed it would be recovered through the North Carolina Renewable Energy Portfolio Standard which is something that is already in existence because Dominion has to comply with North Carolina's renewable energy mandates. The costs that Dominion has to incur to comply are essentially captured and tracked and will ultimately be recovered through that. Again, the North Carolina Utilities Commission has the final say over whether or not these costs are deemed to be reasonable and prudent and at that point there would be the opportunity for participation from anyone in the public who wanted to either support or not support the application for costs to be recovered.*

MPT Perry: *Thank you. I don't have any other questions.*

Bateman: *I have a question for Michael concerning the statement he made prior to introducing Mr. Flavin.*

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Thompson: *The current makeup of the North Carolina General Assembly in the House, the Senate and the Governor's Office feel that SB 3 was a mistake and they are trying to repeal it, either a piece at a time, a whole, or in part. In deference to those that are in a position of power we are making a case from the electric industry that we have the second largest in the state for the manufacture and insulation of renewable energy devices in the United States of America. There are jobs involved. There are many hog farmers that have invested millions of dollars in the recovery of methane gas from the hog farms and turned it into electricity and reduced their electric bill. You have the same thing with poultry farmers and other areas as well. It is hard to say Councilman Bateman at this time but the possibility exists of the repeal of Senate Bill 3 but it would be hard to say what that probability is. It was adopted in a time when the democrats were in control but there were a lot of republicans that voted for it also.*

Flavin: *I don't know if this helps but this project we are proposing is being proposed in reliance on a part of the SB 3 that Michael just mentioned. If it were repealed it would essentially remove our ability to do this project.*

Michael: *Did anyone sign up to speak?*

Morris: *No sir.*

Michael: *Thank you. Does anyone in the audience want to speak on this conditional use application? (No one came forward.)*

Michael: *You can go back into regular session but if you do that now you will not be able to ask any further questions.*

Reid: *The planning board recommended seven conditions to this application. The seventh one was the one you had some concern about.*

Michael: *I had concern about what it says and how to enforce it.*

Reid: *My question is could we eliminate the seventh one because it sounds to me like there is no real buffer problem. I mean there apparently is not going to be any problem with the solar panels that I can see.*

MPT Perry and Klutz: *I agree with that.*

MPT Perry made a motion to close the public hearing and Councilman Reid seconded. The vote was 5-0.

Mayor Perry: *Any discussion among us or do we have a motion?*

MPT Perry moved to grant approval of this conditional use permit application to establish four wind turbines as part of an electric public utility research project on the Dominion North Carolina Power property at 5300 The Woods Road subject to the standards and conditions for wind turbines in the zoning ordinance and other conditions recommended

by the planning board with the exception of recommendation number seven which is being omitted. Town Council concurs with the conditional use findings in the staff report and find that approval of this conditional use permit is consistent with the Town's adopted CAMA Land Use Plan. The council also finds that granting approval is in the public interest by providing a model wind turbine project, evaluating the effectiveness of different types of wind turbines and educating the public about options for alternative energy. Councilman Reid provided a second and it was unanimously approved, 5-0.

8. NEW BUSINESS

a.) Amendments to the Town Code. Sections 20-53, 20-54, 20-55 and 20-56. Section 20-53 adds paragraph (c) to cover no parking or leaving a vehicle upon a bike or pedestrian path and reduces the fine to \$20; Section 20-54 reduces the fine to \$20; Section 20-55 reduces the fine to \$20; and, Section 20-56 prohibits parking in front of a private driveway, fire hydrant, entrance to a fire station, in an intersection or fire lane.

Manager Stockton said he was asked to present this amended ordinance to council to make town ordinances in line with state statutes. The requested amendments include Section 20-53/Stopping on public highways prohibited; warning signals; removal of vehicles from public highways. Section 20-54/Parallel parking. Section 20-55/Handicapped parking. Section 20-56/Parking in front of private driveway, fire hydrants, fire stations, intersection of curb lines or fire lane. Section 20-53 has a paragraph (c) added to cover parking on bike paths and reduces the fine to \$20, Section 20-54 has the fine reduced from \$50 to \$20. Section 20-55 has the fine reduced from \$250 to \$20. Section 20-56 prohibits parking in front of a driveway, fire hydrant, entrance to a fire station and in an intersection. It also prohibits parking in a fire lane. The additions were underlined and the text to be removed was stricken.

MPT Perry made a motion to approve the town code amendments to Section 20-53, Section 20-54, Section 20-55 and the addition of Section 20-56. He further authorized the mayor to sign said amendment and addition and the town clerk to sign said document. Councilman Bateman seconded the motion and it passed unanimously, 5-0. (Ordinance No. 13-04)

b.) Extension of Audit Services with Dowdy & Osborne. A proposal by Dowdy & Osborne, LLP, CPA's to extend audit services for fiscal years ending 2014, 2015 and 2016 has been submitted (based on staffing and audit level requirements remaining the same during this period.) The cost for each year is \$16,250.

MPT Perry said this was on the consent agenda but he asked that it be removed for a couple of questions. He agreed it is a good deal and wants it to go forward but wants to make sure the town is legal in doing it. The Tourist Bureau just went through this as well. Getting a CPA that does government audits is difficult. Auditors do not want to do it because they have to have continuing education, certifications and it is not profitable. The Tourist Bureau put out Requests for Qualifications and companies from out of town bid at very high prices. They would not help the finance office when needed and if they had to they traveled here and charged a very high price. Dowdy and Osborne have offered a good price, are local and can be contacted without charging the town extra. He then asked if this commits a new council to the three year contract.

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Attorney Michael replied it would.

MPT Perry asked if this is pushing a limit on using the same auditor because the town has used this one for several years. He added a caveat there is now a new finance officer and any relationship that might have been of concern should not be a concern now.

Attorney Michael said there are no specific rules, nothing in the statutes that say a town cannot continue to use the same auditor. He noted the Local Government Commission had been called to see if they have any guidelines or specifics they could offer and they could not. They recognize the difficulty of getting people to do government audits but prudent financial planning dictates you need to make a change at some point in time. When he was an officer with the state bar they wanted to use the same accounting firm they had been using for years and instead of hiring a new firm they switched partners in the firm. Having a new finance officer is a good comfort level such as switching partners.

Councilwoman Klutz asked if it is okay not to send out RFQ's and Attorney Michael replied it is fine to do it in this manner.

Councilwoman Klutz made a motion that Dowdy and Osborne CPA's shall be issued a letter of understanding and an agreement to maintain audit services for the fiscal years ending 2014, 2015 and 2016 based on staffing and audit level requirements remaining the same during this period. The cost for each year is \$16,250. Further authorization is given to the finance officer to sign said agreement. MPT Perry seconded and the motion passed unanimously, 5-0.

c.) Agreement with Albemarle & Associates. This agreement is for evaluating the possibility of constructing outfalls at various locations to alleviate flooding during storm events. The cost is \$6,450.

Stockton: This is a proposed agreement with Albemarle & Associates to evaluate the possibility of constructing outfalls at various locations on NC 12 to alleviate the flooding during a major storm event. Basically the analysis would do the following: they would utilize the existing data obtained from the 2012 Stormwater Management Study; determine which areas may be interconnected to gravity ocean outfalls; the analysis will utilize existing survey data, LIDAR topographic data, previously calculated management volumes and historic data; the analysis will be conceptual in nature but will include outfall construction estimates and other factors that may affect these systems; and, Albemarle & Associates will prepare a written summary to their findings which will include a schematic plan. Albemarle & Associates is proposing to make the analysis for the ocean outfalls for a lump sum price of \$6,450. The funds are available in Powell Bill Account for FY 13 to pay for this work. Are there any questions?

Klutz: I have one question and it has to do with the meeting we had with the environmental director who came and spoke to us with the CAMA regional director. I got the impression we would have a good chance of getting an ocean outfall if we extended the outfall farther out into the ocean. Is there anything in this that makes it a specific task to get the cost and everything else associated with that extension?

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MPT Perry: *This is not intended to go there yet. This is intended to use the data we currently have from the Stormwater Study that was done with the pumping stations. The intent here is to ask is it possible to put an outfall here, how many, can they be interconnected, a conceptual overview and maybe a generalized cost of how many and what. Going out to sea ... it was put to us this is probably the right way to do it because Myrtle Beach and New Jersey are getting ready to do it and get away from the swimming advisory concerns and those sort of things. This is not what we are trying to do here. We are trying to see if it is feasible, where they would go, how many and whether they could be interconnected. Then you have another whole place to go after that.*

Klutz: *It was the cost data being in here that made me think we probably should do something about it. Not only the permitting agencies ... I believe there would be some push back from the citizens if outfalls were to actually be on the beach.*

MPT Perry: *You are not even close to an outfall.*

Klutz: *That is fine and I am fine with this.*

Mayor Perry: *The ones that were close would have to be shut off and the ones that were way out offshore probably could be left open. That is my understanding. I believe there is some information available about cost from people who have already done this.*

MPT Perry: *Yes and that is what he will get. For the benefit of the folks that are listening here, we are talking outfalls. We are going to be talking and looking at beach nourishment for storm damage. It is all lumped in this storm damage reduction and even if we could somehow miraculously come up with \$40 million dollars and pump sand on the beach you still get rain, you are still in a hole and you still need outfalls to take care of other events. This is one part of several parts.*

Councilman Bateman made a motion for approval of the proposed agreement from Albemarle and Associates for a conceptual analysis in locating and constructing ocean outfalls on NC 12 in the study areas one through seven and nine as developed in the Stormwater Management Plan for the lump sum price of \$6450, said funds to come from the Powell Bill Fund Account. Further authorization is given for the town manager to sign the agreement for professional services provided for this conceptual analysis. MPT Perry seconded the motion.

MPT Perry: *I want to add how we were allowed to do this. The state is allowed to do a lot of things we see, beach nourishment or whatever to repair state roads. What they have determined is that municipalities who own roads have the same right to keep those roads open for emergency and pedestrian traffic and whatever else. So it is a kind of one sentence caveat but it works and it allows us to do something that heretofore has kind of been shut off for us. I thought I would add that.*

The vote was 5-0.

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d.) Agreement with Coastal Planning & Engineering. This agreement is for a beach management conceptual assessment (storm damage reduction.) The cost is \$22,454.

Stockton: *As a result of being informed by Dare County that funds are available to pay for engineering for storm damage reduction, or as some people call it, beach nourishment, we have talked with Coastal Planning & Engineering about providing us with a conceptual assessment for making planning decisions on how best to manage ocean shoreline erosion and storm damage vulnerability.*

We have received a proposal from them and it basically will do as follows: will use existing data and reports to conduct an assessment of feasible concept alternatives that could be pursued to mitigate oceanfront erosion and storm damage vulnerability; will coordinate with permitting and resource agencies to verify the feasibility of concept alternatives with regards to securing environmental clearances and permits; will prepare a letter report with a description of each concept alternative, a cost estimate for permitting and design of the alternative, a schedule to take the project to construction and an estimate of construction cost; will submit a draft report within 60 days contingent on timely participation of the agencies in a meeting; will submit a final report within 14 days of receiving comments from the town on the draft; then also will submit the findings at a council meeting.

Coastal Planning & Engineering has proposed to conduct the concept study for a lump sum price of \$22, 455 and the funding for the study will come from Dare County. The services agreement for the scope of professional services was reviewed by Attorney Michael and he suggested some changes. The changes were submitted to the Coastal Planning and Engineering but their internal legal personnel were not able to give an answer in time for this meeting. It is recommended the services agreement be approved contingent on modifications as recommended by the town attorney.

Klutz: *It is a significant revision but as long as it is in the motion, I move for the approval of the scope of professional services as proposed by Coastal Planning & Engineering for the purpose of providing a study on beach management concept assessment as described in the proposal dated April 26, 2013 for a lump sum amount of \$22,454. I further move that the services agreement for said scope of professional services be approved contingent on the modifications to said agreement and approved by the town attorney. I further authorize the town manager to sign the revised agreement.*

MPT Perry: Second. *A couple of comments for the benefit of the public. North of Historic Street, any beach nourishment project would require easements to be signed by oceanfront property owners, so please be aware of that. Without that nothing would happen in the eventuality we were to find money and the rest of it found its way to fruition. Secondly, I would like for you to know the county board of commissioners has gone a long way to making sense of the Occupancy tax for beach nourishment money by allocating it in places and in ways that make more sense than it has been in the past. It allows us to at least take this first step. We would not be able to do it otherwise. There is just not money to do it so if you want to thank somebody for at least giving us the funds to do this that is the proper place. I was really glad to see them ease up on that a little bit. We have a long way to go and you are going to have to ping on them some*

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more because a lot of money is going to have to be made somewhere but this is a start and that is where we will go with it. Thank you.

Mayor Perry: *Anybody else? All those in favor? Vote was 5-0.*

e.) FY 12-13 Budget Amendment #4. This budget amendment establishes a Storm Damage Reduction (Beach Nourishment) Project Fund increasing the overall budget by \$22,454. The funds will be used to pay for an agreement with Coastal Planning & Engineering to conduct a beach management conceptual assessment.

Stockton: *In order for us to proceed with the agreement with Coastal Planning & Engineering we need to adopt the budget amendment which establishes a Storm Damage Reduction Project Fund increasing the overall budget by \$22,454 for the current budget year. Funds would be used by the town with our agreement with Coastal Planning & Engineering to conduct the beach management concept assessment making planning decisions on how best to manage the ocean shoreline erosion and storm damage vulnerability. As we mentioned before, the Dare County Board of Commissioners approved funding of up to \$250,000 at their April 15th, 2013 board meeting for beach nourishment projects. The funding appropriation will be utilized during the current fiscal year and the upcoming fiscal year 2013-14. The approval of this amendment will appropriate the additional funds to this year's budget.*

Klutz: *I have a comment about the parenthetical beach nourishment in the title of the fund. It is included in the recommended motion and I think we should just call it the Storm Damage Reduction Project Fund without beach nourishment in parenthesis because my understanding is it can be used for other things.*

MPT Perry: *Yes it can be used for other things.*

Klutz: *I move that this budget amendment number four for Storm Damage Reduction Project Fund be approved. MPT Perry seconded and the vote was 5-0.*

f.) Municipal Service District Map for Storm Damage Reduction (beach erosion control and flood and hurricane protection works.) This proposed map designates two districts. District A includes BC-1, BC-2, BC-3, PCD, BH-1, BH-2, BR-1 and BR-3 encompassing the oceanfront properties, the properties between the highways and the commercial properties just south and west of US 158. District B includes residential areas that are close enough to the beach to benefit from the beach.

Stockton: *Council requested staff develop a municipal service district map that could possibly be used to create a district for obtaining additional revenue through a special tax. The possible map was submitted to council in April for review. The proposed map designates two districts, District A and District B. Basically District A includes the beach and between the highways. District B is west of District A and bounded by the red line. Also, District A includes not only residential but commercial properties west of 158 and just south of 158.*

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District A encompasses the oceanfront properties and properties between the highways and like I mentioned the commercial properties south and west of 158. District B we proposed that because it includes residential areas we believe are close enough to the beach to benefit from the beach itself. That is why we are including it.

You can combine the two districts, you could leave a district out, or you could expand it to increase the size of the districts if you wish to do so.

I will go through some of the steps we have to go through to adopt the municipal service district. We have to first consider the districts for the map and then council would direct staff to determine the valuation of the properties in the proposed districts. Staff would prepare a report to council on the valuation of the property and verify the purpose of the districts that would satisfy state statute 160A-536. Staff would provide a plan to provide service for the districts that would provide beach erosion control and or flood protection. Council would then set a date for a public hearing to define the service districts and a notice would be published that includes the date of the public hearing location, time, along with a copy of the district map. An advertisement for the public hearing and a map will be mailed to all property owners four weeks prior to the public hearing. Once council holds a public hearing the proposed service district tax is revealed. Council would adopt a resolution defining the municipal service district to take effect at the beginning of a future fiscal year after its passage. It cannot take effect during the fiscal year but at the beginning of a fiscal year. Any tax on the municipal service district can be applied after the approval of the district which shall commence only at the beginning of the fiscal year.

Klutz: *I don't know what the dotted lines mean. You have two dotted lines and one that looks like it is going around the golf course but that is in front of it. Then the other one is in that little triangle area north of the other dotted line.*

Stockton: *I think a lot of that is not residential right now. I believe it is the Coastal Reserve. Is that right Joe?*

Heard: *Yes, the majority.*

Stockton: *The majority of that is the reserve so we did not know whether that should be included or not and is the reason for the dashed red line.*

Klutz: *And the little triangular area between the districts?*

Reid: *That is Seascape.*

Stockton: *Should it be in District A or District B?*

Klutz: *What do you mean when you say affected by the beach? The whole town is affected by the beach.*

Bateman: *Amen.*

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Stockton: *Proximity wise they are closer to the beach is what we are trying to say.*

Klutz: *What you are saying is their property values are enhanced in the area shown west of the highway but ... the high dune area where they can see the ocean. I do not get that. The other part of it is if you have flood damage prevention measures and this is the area we set up then there is absolutely nothing that will ever be done from that fund to help in a, for instance, Hurricane Irene type scenario where the sound side is flooded. We would never be able to use that money for anything affecting sound side flooding. Is that correct?*

Mayor Perry: *That is my understanding.*

Klutz: *It would all have to come from the ocean.*

Mayor Perry: *I think when you put the tax on the district you have to say what it is for and it has to be used for that.*

Michael: *It has to be used for that project. It cannot be used be used for other projects and it cannot go into the general fund.*

Klutz: *Maybe we should not call it a flood damage prevention project but a beach nourishment project.*

Michael: *The statute authorizes the town to set up certain projects. The funds can be used for beach erosion control, flood and hurricane protection and drainage projects are all things that can be used.*

Klutz: *I guess what I am getting at is if hurricane protection is in there and these are the people paying the taxes and we don't do anything for the rest of the town ... if there is any sound side flooding caused by a hurricane we would not be able to use that money because they are not putting into the fund. Is that correct?*

MPT Perry: *It is a special tax district set up for a specific purpose and is used in that district and nowhere else. That is the bottom line.*

Klutz: *The other part of it is a lot of the area in this district is ... and I live between the highways and I have no problem at all with being in this special tax district but a lot of what I see there is ... like the high dune area ... those people have not suffered any kind of flooding, how do they wind up in here?*

MPT Perry: *That is what we are discussing. The question is what do we want the map to look like? Do we want a map at all or do we want some other iteration of the map? Right now he is proposing "down the hill" folks east of 158 in a special tax district. He has "up the hill" folks in another tax district and for the same purpose but at perhaps a lower rate and then the "over the hill" folks back where the mayor lives are not involved in this at all. That is all there is to it. What do we want? Are we going to keep it east of 158 and not do anything for the "up the hill"*

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folks as far as taxing them? Is it all going to be in that small district between the highways or not?

Klutz: *If we are going to have a special tax district I can understand the commercial properties being involved because we have had flooding on 158. Certainly the commercial areas on the west side of the highway have been affected when people cannot get out of their houses to get to the businesses, but when we start going up high on part of the map and it is for ... I guess it is the definition that says properties that are more affected by the beach is what I do not get.*

Mayor Perry: *I visualize 158 to the east as being the area that ... protecting and trying to do something for. However there is the Rabbit Hollow area which is probably going to be lumped into this some way.*

Reid: *I am confused because I thought the idea was to establish districts that would benefit from essentially preserving or protecting the beach. It did not necessarily mean if you were on the high dunes you did not ... you would participate in preserving the beach because you benefit from it. I mean technically we all benefit from it. I will not necessarily say that is not the case but the closer you are to the beach you benefit at, maybe not at the same rate at which the beachfront people do, but it doesn't necessarily mean if something happens that the high dune people are going to be damaged because they obviously won't be damaged as much as the others but still the protection is there to preserve the beach. That is the whole concept. It is, not to my way of thinking, it is not a concept of I am going to pay this extra tax but then when the storm comes somebody is going to come along and help me. It is more of public interest for preserving the beach and how do we share in that? The people closest to it share the most and the next stage a little less and a little bit less as you get away from the beach. This would not have any effect on sound side flooding because nobody is going ... there would not be any projects for sound side flooding. We are talking about doing something on the beach to preserve the beach which is our major tourist attraction. But the sound side I mean ...*

Klutz: *Nobody benefits from the beach west of that red line?*

Reid: *I am saying everybody benefits but they benefit in different ways and I thought that was the idea. I thought that is what Nags Head did. Do it on the same basis. The beachfront benefits the most so therefore they should pay more but as you move back it may be less and less. I live in Kitty Hawk Landing but that does not mean I don't go to the beach and benefit from it. I benefit from the beach accesses, all my guests go to the beach, we all benefit. Most of us would not live here if we didn't have the beach. This is just a graduated way of looking at how to somehow preserve the beach. The details of how we work that out will come later. Is it going to be used for outfalls or is it going to be used for building a dune or is it ... that can come later. This is just a map to say this is how people will theoretically benefit or should pay to do these kinds of projects.*

Mayor Perry: *It is trying to get something in place so in the future when we need to do something it can raise funds. It is going to take the rest of another year to get this in place and if you wait another year to put it in place then you have another year before you can have a tax*

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district. Where the line should be, Richard has a point that maybe at some point you have a minimal tax for the whole town but those on the oceanfront certainly benefit greater and the ones between the highways benefit greater than somebody back. That is why I think graduated is the way to go.

Bateman: *I am with Richard also. I have always thought everybody, the businesses, the crabbers back in Kitty Hawk Landing, everybody benefits from the beach. We all need to share in it. If you had a district on the oceanfront that is one level, the second level between the highways, the third level from 158 West to the sound and everybody is taxed gradually. Like it is in Nags Head. The house I have in Nags Head Cove is taxed differently than the houses on the oceanfront. Plain and simple. Because the oceanfront is going to benefit more, they pay more tax. It is going to take a lot of money to do what we are proposing to do. This is only just one tiny piece of the puzzle.*

Klutz: *I absolutely agree with that and I agree with what Nags Head did. I also agree the people closest to the beach should pay more but what I don't see here is any contribution from the rest of the town. Everybody, as you say, benefits from the beach and Nags Head when they did their project I believe there was a penny or two town wide ... it was minimal but it was something and as someone who lives on the beach I would like to point out to those who don't live near the beach there is always the clarion call that the beach is for everybody. I am in total agreement and whenever there are some maybe not so great things getting put into the neighborhood and the people on the beach sometimes have to put up with a lot of behavior that isn't exactly respectful of their property, we are always reminded that the beach is for everybody. Yet when we are establishing these districts there is no indication there is even a minimal amount being ...*

MPT Perry: *The manager is asking for instruction from us. If you do not like this tell him what you want and then if everybody agrees he will do it. If you want the whole town to share in it tell him how you want it graduated and he will do it.*

Bateman: *I just told him.*

Mayor Perry: *But you do not have to make a special district in the whole town to tax the rest of the town.*

Michael: *The municipal service districts are to create a graduated taxing ability. That is what they are for. If you are not going to do that then you just do it through your general taxing power of the entire town. Raise your taxes to whatever level and everybody pays the same rate.*

Mayor Perry: *Just for argument say we are going to tax everybody in town 2 cents but in District C we are going to tax 5 cents, in District whatever, we are going to do ... it doesn't have to be in a district in order to tax town wide. And then add extra into the other districts.*

Michael: *The town wide taxes will apply to everybody. The extra tax in the districts applies only in that district.*

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Klutz: *In the town wide tax ... can you say that town wide tax, you gave an example of 2 cents, would be used for this purpose?*

Mayor Perry: *In the budget.*

Klutz: *All you have to do at budget time is say 2 cents worth of the town's revenue will go into this project and you don't have to say it is a special district because everybody is paying it in all of the districts. This is just for the people paying extra.*

Mayor Perry: *Extra. That is correct.*

Klutz: *All right.*

Mayor Perry: *I think I am right.*

Klutz: *Then I am all right with this.*

MPT Perry: *But a future council can come in and say that money in the general fund is not going to be put it out on the beach.*

Michael: *That is right.*

MPT Perry: *As opposed to a district which dedicates it to a project. That is what you need to keep in the back of your mind when you are talking general revenue.*

Mayor Perry: *Right, but if you have a 2 cent tax and say it is going to be put in the budget in a special fund ...*

MPT Perry: *Then we can always change it.*

Michael: *You could change it. Anything that goes into the general fund is subject to change. You can say you are putting \$100,000 a year away to buy a fire truck but then decide you need something else.*

Klutz: *If you do not put another line in here for the rest of the town and say this money is specifically for this project ... every year you can designate a certain amount of taxes to go into this fund once you put it there. If it comes from the general fund as a transfer, which is what we would have to do when we do the budget, once you put it there can you take it out the way we can from any other fund?*

Michael: *Yes.*

Klutz: *What I understand is if you are in the special tax district you cannot take that money out. How do you distinguish? You will have to keep track of how much you have put in there every year.*

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Michael: *What happens with most of these projects is you do not generate enough funds through the special tax districts. You generate funds that get it going and supplies a lot of the money but sometimes towns have to borrow money and then you are obligating town finances to pay the money back. Nags Head had to borrow money and they have obligated the general revenues of the town to a certain extent to pay that money back. The money is dedicated until it is paid back.*

Mayor Perry: *For the whole town.*

Klutz: *We can assure the people who live in the special districts that the extra money they are paying towards their property taxes will never be used for anything else except the purpose of that fund.*

Michael: *That is correct.*

Klutz: *If we do something when we are in the budget process and put extra money in then we just have to keep track of what it is or have a separate fund for this same purpose but is one that the money can be moved back into the general fund if necessary. Just so the accounting is straight.*

Reid: *Establishing the districts and then establishing the tax rate has to be done through a public hearing process. If I understand it correctly you could establish these districts and you could tax for a given period of time and then you define the projects you want it for. In other words what it encompasses ...*

Michael: *You have to define the project before ...*

Reid: *To the public and then the public would come and say yea or nay right?*

Michael: *You have to set up the districts and you have to have a plan. The plan is beach re-nourishment or whatever you want to call it.*

MPT Perry: *Storm damage reduction.*

Michael: *Storm damage reduction. Getting your districts set up to implement that plan is the first step and you have taken a step tonight by hiring the engineers to give you a plan of what you might be able to do and get some idea of what it might cost. You can set this district up and you do not have to impose any taxes now. The taxes can be next year.*

Mayor Perry: *It cannot be this year.*

Michael: *You still have time. You have not adopted ... well you don't have time to get it before the ...*

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Mayor Perry: *We do not have time so it has to be another year and two months down the road. You know the money we gain from these districts or the whole town is very minimal as far as beach nourishment or outfalls. I mean it would not even commence to pay for it.*

Michael: *Depends on how high you raise your taxes.*

Mayor Perry: *Yes but not in Kitty Hawk. You cannot do it.*

MPT Perry: *All right folks some of us want to go home tonight. Do you want to give the manager some other instructions with regard to setting up the districts, which you are obviously not happy with now, and let him come back to us with something else? Perhaps circulate it through council before we get to a council meeting. Does that make sense?*

Reid: *I don't have any problem with the map. I just had two questions. I don't think the larger dotted area should be included in District B because it is primarily the reserve property. I don't understand why Seascapes is outlined. What was the logic to that?*

Stockton: *There was a question about whether or not it should be a part of District A or District B.*

Reid: *I think it is fine as B personally because it is residential. Originally I wondered why did you do the frontage partially for A and partially for B but when you said residential versus commercial it made sense. I have no problem with A and B excluding the larger dotted area and then if we want to do a District C for the rest of the town I would be perfectly happy with that too. If you want to do it that way but I do not think it is necessary.*

Mayor Perry: *I don't think it is necessary but I am with you. I am okay if you take out the dotted line area.*

Klutz: *And the dotted line around the Seascapes condos?*

Reid: *I would include Seascapes in District B. It seems to make sense.*

Klutz: *The way I read this is the BC-3 district, Wal-Mart and etcetera, they are in District A.*

Mayor Perry: *I am okay with it like that. I don't know how you can solve all the ...*

MPT Perry: *So you do not want to add something back down the hill?*

Bateman: *I do. I would like to see the beachfront, right on the beach, as one district. Between the highways as another district and from the bypass back another district. A, B, C.*

Reid: *The only problem with that Ervin is I think the beachfront is only a row of lots and most of it is not even built on or a lot of it anymore. It probably is not worth it to make a separate district for it.*

MPT Perry: *I agree.*

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Bateman: *That is a good point.*

Reid: *If we had a larger oceanfront I would say maybe you would separate it like sections of Kill Devil Hills but we don't.*

Klutz: *Yes and the way I understand it is people who own lots that currently are not buildable would not wind up with a buildable lot just because of nourishment. It would not enhance their property values in terms of their being able to build on a lot.*

Mayor Perry: *They would not be able to add on to what they have.*

Reid: *I think when you get into a federal project there is a stipulation, if they did beach nourishment and a lot was unbuildable, the nourishment could not make it buildable. I think somehow we have to say that is going to have to be the case because we are not in the business of providing private property suddenly the ability to build on it. That is not our goal here.*

MPT Perry: *The law would not allow you to do that anyway.*

Bateman: *You just want two districts then?*

MPT Perry: *I have a suggestion. I would like to direct the manager to make a second map that shows the back of the dune line, if you will, as a separate district. You would have three districts and anything else any of you come up with that you feel like you want to present so at the next council meeting we have something we can work with. And keep in mind all we are doing is establishing something for the people to tell us whether they want it or not. It is that simple. It has become a very contentious affair to decide what the manager needs to present to us. So bring us a couple more options and maybe we can make a decision.*

Mayor Perry: *We would not make a final decision until after the public hearing right?*

Michael: *Yes.*

Stockton: *We have some time to do this.*

MPT Perry: *We could not even invoke it until next fiscal year.*

Klutz: *Three districts?*

MPT Perry: *Or more.*

Mayor Perry: *On to reports and general comments from the town manager.*

9. REPORTS OR GENERAL COMMENTS FROM TOWN MANAGER

- a.) **Winks Status** – Manager Stockton said the papers for Winks were served on April 4th. An extension was requested on April 29th which allows the defendant to respond by June 3rd.
- b.) **Compliment to the Planning and Inspections Department** – Manager Stockton said he received a compliment from Scott M. Johnson, Crown Castle, who is replacing an antennae for Sprint on the tower in town. Mr. Johnson complimented the planning and inspections department on how they walked him through the entire permitting process and made it very easy for him.
- c.) **Two Employees Complete Municipal Administration Course at the School of Government** – Manager Stockton recognized Public Works Director Willie Midgett and Management Assistant Melody Clopton for completing the 150 hour municipal administration course offered at the School of Government.
- d.) **Compliment to the Police Department** – Manager Stockton said he recently received a letter from Mr. Robert Dean of Falls Church, VA. Mr. Dean complimented the police department for their work and presence at the Flying Pirate Half Marathon that was held on April 13th.
- e.) **Schedule Budget Workshop** – Manager Stockton said the last item he needed to discuss is the budget calendar. The original date for the next workshop is May 21st and asked if that is still a good date.

Following discussion council decided May 21, 2013, 9 a.m. is a good day and time for the workshop.

10. REPORTS OR GENERAL COMMENTS FROM TOWN ATTORNEY

There were no further comments from the town attorney.

11. REPORTS OR GENERAL COMMENTS FROM TOWN COUNCIL

Thank You and Compliment to Staff

Councilman Bateman thanked the public works, police and fire department personnel for working during the half marathon. It was a great success and money was raised for the foundations.

Councilwoman Klutz said she received great comments from an oceanfront property owner who was involved in a big project raising his house. He said he had never had any kind of dealing with a town planning and inspections department as good as what he experienced in Kitty Hawk.

Parking on East Kitty Hawk Road

Mayor Perry said parking on East Kitty Hawk Road keeps surfacing and asked the police chief to prepare something for the next meeting.

MPT Perry added for clarification the town code presently says no parking is allowed but council will consider allowing it.

12. PUBLIC COMMENT

1. Willo Kelly: *I will be very quick. I know it is late. I am Willo Kelly and am the Government Affairs Liaison for the Outer Banks Homebuilders Association and the Outer Banks Association of Realtors. I also serve as president of a 20 coastal counties coalition. With regards to erosion mitigation shoreline management we would just like to say we commend the town of Kitty Hawk for taking this on and looking forward. Just a personal story to share, seven years ago when I started in this position I called the Town of Kitty Hawk after the beach sales tax referendum failed and I asked the Town of Kitty Hawk what you were doing as far as looking at future oceanfront development. I am not sure who answered the phone but they laughed and said oceanfront development, we are just waiting for the next house to fall in.*

At that time it was a learning curve for me in this job and finding out the first line of stable natural vegetation determines where you have to build back. Your starting point is 60' from the first line of stable natural vegetation. Seven years ago that line was across the beach road and with all of the erosion that has occurred since then I am not sure where it is but in future discussions you might want to look at possibly where that line exists. And if there was a rule that said houses that were in front of that line had to be taken down you would see what kind of tax value you would be losing.

Mayor Perry: *I know and some of that may start on the west side of the beach road before you start the vegetation.*

Klutz: *It is.*

Kelly: *Exactly. It is across the street. Then there were setback rules that changed in 2009 with residential development and the larger the structure the larger the setback. You could have some structures that would have to go back 120'. So you look at wiping out that tax base probably along the beach road on the west side. I just wanted to mention that and thank you very much.*

Mayor Perry: *Thank you for all the work you do.*

MPT Perry: *Willo we have already been told that everything east of 12 cannot be rebuilt.*

Kelly: *If you have a beach nourishment project there will be opportunities. In the 2009 changes to the setback rules there was an allowance that said if you have a beach nourishment project and you establish a static vegetation line on those lots that are unbuildable and there is room*

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meeting the setback from the static vegetation line I think you can build up to a 2000 square foot footprint.

MPT Perry: *We are a long ways from that.*

Kelly: *It might include the porch I am not sure. But it is small enough to where you could move it.*

Klutz: *In Kitty Hawk that stable line of vegetation in many places is on the west side. We have run into that.*

Kelly: *It is across the beach road on the west side but once you have a beach nourishment project you will determine a static vegetation line and then the setback will be based behind that static vegetation line. In Emerald Isle some of their unbuildable lots the owners could actually do something with their property.*

Mayor Perry: *Anybody else?*

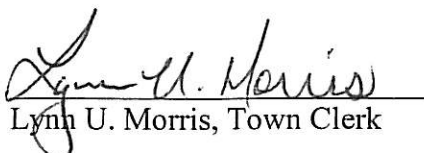
2. Donny King, Ocean Boulevard Restaurant, Kitty Hawk, NC: *Hello. My name is Donny King and I am forming a group called Better Beaches OBX to help get everybody's eyes on managing our coastline in the local area. I want to thank you especially for taking step one. I know the county is funding this research we are looking at however you had to apply for this step and speak with them and instigate the process and that is very important. When it comes to the municipal service districts there was considerable argument amongst you as to the map that was drawn up. We may need three or four service districts. It depends on not only the amount of money you can raise and what you can do with it but also the public's perception of where specific amounts of money are coming from. Obviously we all recognize it as a process but one that is important and one we appreciate. Thank you again.*

Mayor Perry: *Anyone else? Motion to recess for a budget workshop for May 21st, at 9 a.m.*

13. RECESS for Budget Workshop

Councilwoman Klutz made a motion to recess to a budget workshop of May 21st at 9 a.m.
MPT Perry seconded the motion and it passed unanimously, 5-0. Time was 8:31 p.m.

These minutes were approved at the *June 3, 2013* council meeting.


Lynn U. Morris, Town Clerk


Clifton G. Perry, Mayor